

Counterpart - Colleen M. Maguire

BALL JANIK LLP

A T T O R N E Y S

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RECORDATION NO. 21919 FILED

DEC 31 '98

12-12 PM

lgitomer@bjllp.com

December 31, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of December 31, 1998. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

LaSalle National Leasing Corporation
502 Washington Avenue
Towson, MD 21204

Lessee:

Boise Locomotive Company
Two Gateway Center
Pittsburgh, PA 15222

A description of the equipment covered by the Memorandum of Lease Agreement consists of four locomotives numbered MPEX 1501, 1504, 1505, and 6201.

BALL JANIK LLP

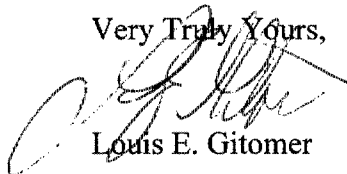
Honorable Vernon A. Williams
December 31, 1998
Page 2

A fee of \$26.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: Memorandum of Lease Agreement between LaSalle National Leasing Corporation, 502 Washington Avenue, Towson, MD 21204, and Boise Locomotive Company, Two Gateway Center, Pittsburgh, PA 15222, covering four locomotives numbered MPEX 1501, 1504, 1505, and 6201.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read "L. E. Gitomer", is written over the typed name.

Louis E. Gitomer

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

Louis E. Gitomer

Date: 12/31/98

Of Counsel
Ball Janik LLP
1455 F Street, NW., Ste. 225
Washington, DC., 20005

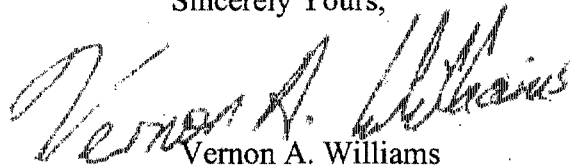
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 12/31/98 at 12:12 PM , and

assigned recordation number(s). 21919.

Sincerely Yours,

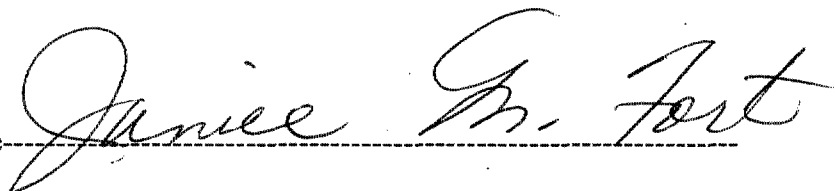

Vernon A. Williams

Enclosure(s)

26.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



RECORDATION NO. 21919 FILED

DEC 31 '98

12-12 PM

MEMORANDUM OF LEASE AGREEMENT

dated as of December 31, 1998

between

BOISE LOCOMOTIVE COMPANY.
as Lessee,

and

LASALLE NATIONAL LEASING CORPORATION
as Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on December __, 1998 at __:__.m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of December 31, 1998, by and between LASALLE NATIONAL LEASING CORPORATION ("Lessor"), and BOISE LOCOMOTIVE COMPANY ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain switcher locomotives described on Exhibit No. 1 attached hereto.

All of such switcher locomotives are more fully described in that certain Locomotive Lease Agreement dated December 31, 1998, and Schedule No. 1 thereto and incorporating the terms thereof, dated as of December 31, 1998 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written:

LASALLE NATIONAL LEASING CORPORATION

By: [Signature]
Name: CONSTANCE W. LANCASTER
Title: VICE PRESIDENT

BOISE LOCOMOTIVE COMPANY

By: _____
Name: _____
Title: _____

STATE OF MARYLAND)
) ss.
COUNTY OF BALTIMORE)

On this 30th day of December, 1998, before me appeared Constance W. Lancaster, the person who signed this instrument, who acknowledged that (s)he is the Vice President of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal] REGINA M. MCMANUS
 NOTARY PUBLIC
 BALTIMORE COUNTY

[Signature]
Notary Public

My commission expires:
October 29, 2000

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of December, 1998, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of BOISE LOCOMOTIVE COMPANY and that, being duly authorized, s)he signed such instrument as a free act on behalf of said corporation.

[Seal] _____
Notary Public

My commission expires:
_____ , _____

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

LASALLE NATIONAL LEASING CORPORATION

By: _____
Name: _____
Title: _____

BOISE LOCOMOTIVE COMPANY

By: Thomas P. Lyons
Name: THOMAS P. LYONS
Title: V.P. TREASURER

STATE OF MARYLAND)
COUNTY OF BALTIMORE) ss.

On this ____ day of December, 1998, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Notary Public

My commission expires: _____

STATE OF PENNSYLVANIA)
COUNTY OF ALLEGHENY) ss.

On this 30th day of December, 1998, before me appeared Thomas P. Lyons, the person who signed this instrument, who acknowledged that (s)he is the Vice Pres. of BOISE LOCOMOTIVE COMPANY and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Lisa J. Falenski
Notary Public

My commission expires: _____

Dec. 6, 1999

**EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT**

DESCRIPTION OF LOCOMOTIVES AND REPORTING MARKS

Description	Reporting Mark
1-MP 1500 D 4-Axle, Switcher Locomotive, 1500 hp Diesel-Electric; Cat 3512 Diesel Engine; Woodward CLC Microprocessor	MPEx 1501
1-MP 1500 D 4-Axle, Switcher Locomotive, 1500 hp Diesel-Electric; Cat 3512 Diesel Engine; Woodward CLC Microprocessor	MPEx 1504
1-MP 1500 D 4-Axle, Switcher Locomotive, 1500 hp Diesel-Electric; Cat 3512 Diesel Engine; Woodward CLC Microprocessor	MPEx 1505
1-MP 2000C 6-Axle, Switcher Locomotive, 2000 hp Diesel-Electric; Cat 3516 Diesel Engine; Woodward CLC Microprocessor	MPEx 6201

each with the following options:

HVAC; Radio; Event Recorder; Mirrors; Card Holder;
Clean Cab Safety Provisions; Refrigerator, Window
Tinting; Toilet; Auto Start-Stop; Ditch Lights;
Strobe Light; Air Dryer; Control System Display
Screen